



ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

AIR QUALITY CLASS I PERMIT

COMPANY: *UNS Electric, Inc.*
FACILITY: *Valencia Power Plant*
PERMIT #: *32961*
DATE ISSUED:
EXPIRY DATE:

SUMMARY

This renewal-operating permit is issued to UNS Electric, Inc. (UNSE) for operation of the Valencia Power Plant facility in Nogales, AZ. The facility is located at 1741 North Grand Avenue, Nogales, Santa Cruz County, AZ 85621. This is a renewal of Title V Permit No. 1000402, previously issued to Citizens Utilities Company. This renewal incorporates a significant revision to Title V Permit No. 1000402 for the construction and operation of a new simple cycle combustion turbine generator rated at less than 25 MW.

UNSE operates three Hitachi MS 5001 M-series combustion gas turbines rated at 13.5 MW each and one General Electric LM2500 or equivalent rated at less than 25 MW. Each of the combustion turbines can be fired on natural gas, distillate oil, or a combination of the two fuels. Natural gas is supplied via a pipeline owned by El Paso Natural Gas (EPNG) that runs through Nogales. Distillate oil is stored onsite in two 50,000-gallon storage tanks.

The Valencia Power Plant utilizes water injection on each of the four combustion turbines to control nitrogen oxide emissions. The Valencia Power Plant is a major source for Title V purposes, with potential emissions of the following pollutants greater than 100 tons per year: (i) nitrogen oxides (NO_x), (ii) carbon monoxide (CO), and (iii) sulfur dioxide (SO₂). The facility has voluntarily accepted emission limitations for NO_x, CO, and SO₂ to stay minor for PSD purposes. This permit is issued in accordance with Title 49, Chapter 3 of the Arizona Revised Statutes. All definitions, terms, and conditions used in this permit conform to those in the Arizona Administrative Code R18-2-101 et. seq. (A.A.C.) and Title 40 of the Code of Federal Regulations (CFR), except as otherwise defined in this permit. All terms and conditions in this permit are enforceable by the Administrator of the U.S. Environmental Protection Agency.

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TABLE OF CONTENTS

ATTACHMENT "A": GENERAL PROVISIONS	5
I. PERMIT EXPIRATION AND RENEWAL	5
II. COMPLIANCE WITH PERMIT CONDITIONS.....	5
III. PERMIT REVISION, REOPENING, REVOCATION AND REISSUANCE, OR TERMINATION FOR CAUSE	5
IV. POSTING OF PERMIT	6
V. FEE PAYMENT.....	6
VI. ANNUAL EMISSION INVENTORY QUESTIONNAIRE.....	6
VII. COMPLIANCE CERTIFICATION.....	6
VIII. CERTIFICATION OF TRUTH, ACCURACY AND COMPLETENESS.....	7
IX. INSPECTION AND ENTRY	7
X. PERMIT REVISION PURSUANT TO FEDERAL HAZARDOUS AIR POLLUTANT STANDARD	8
XI. ACCIDENTAL RELEASE PROGRAM	8
XII. EXCESS EMISSIONS, PERMIT DEVIATIONS, AND EMERGENCY REPORTING	8
XIII. RECORD KEEPING REQUIREMENTS	12
XIV. REPORTING REQUIREMENTS.....	13
XV. DUTY TO PROVIDE INFORMATION	13
XVI. PERMIT AMENDMENT OR REVISION	13
XVII. FACILITY CHANGE WITHOUT A PERMIT REVISION	14
XVIII. TESTING REQUIREMENTS.....	15
XIX. PROPERTY RIGHTS	16
XX. SEVERABILITY CLAUSE.....	16
XXI. PERMIT SHIELD	16
XXII. PROTECTION OF STRATOSPHERIC OZONE.....	16
ATTACHMENT "B": SPECIFIC CONDITIONS	17
I. FACILITY WIDE REQUIREMENTS.....	17
II. GAS TURBINE UNITS P1, P2, P3, and P4	17
III. FUGITIVE DUST REQUIREMENTS	30
IV. MOBILE SOURCES.....	32
V. OTHER PERIODIC ACTIVITIES	33
ATTACHMENT "C": EQUIPMENT LIST	37
ATTACHMENT "D": PHASE II ACID RAIN PROVISIONS	39

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ATTACHMENT “A”: GENERAL PROVISIONS

Air Quality Control Permit No. 32961 For UNS Electric, Inc. – Valencia Power Plant

- I. PERMIT EXPIRATION AND RENEWAL** [ARS § 49-426.F, A.A.C. R18-2-304.C.2, and -306.A.1]
- A.** This permit is valid for a period of five years from the date of issuance.
- B.** The Permittee shall submit an application for renewal of this permit at least 6 months, but not more than 18 months, prior to the date of permit expiration.
- II. COMPLIANCE WITH PERMIT CONDITIONS** [A.A.C. R18-2-306.A.8.a and b]
- A.** The Permittee shall comply with all conditions of this permit including all applicable requirements of the Arizona air quality statutes and air quality rules. Any permit noncompliance constitutes a violation of the Arizona Revised Statutes and is grounds for enforcement action; for permit termination, revocation and reissuance, or revision; or for denial of a permit renewal application. In addition, noncompliance with any federally enforceable requirement constitutes a violation of the Clean Air Act.
- B.** It shall not be a defense for a Permittee in an enforcement action that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance with the conditions of this permit.
- III. PERMIT REVISION, REOPENING, REVOCATION AND REISSUANCE, OR TERMINATION FOR CAUSE** [A.A.C. R18-2-306.A.8.c, -321.A.1, and -321.A.2]
- A.** The permit may be revised, reopened, revoked and reissued, or terminated for cause. The filing of a request by the Permittee for a permit revision, revocation and reissuance, termination, or of a notification of planned changes or anticipated noncompliance does not stay any permit condition.
- B.** The permit shall be reopened and revised under any of the following circumstances:
1. Additional applicable requirements under the Clean Air Act become applicable to the Class I source. Such a reopening shall only occur if there are three or more years remaining in the permit term. The reopening shall be completed no later than 18 months after promulgation of the applicable requirement. No such reopening is required if the effective date of the requirement is later than the date on which the permit is due to expire, unless an application for renewal has been submitted pursuant to A.A.C. R18-2-322.B. Any permit revision required pursuant to this subparagraph shall comply with the provisions in A.A.C. R18-2-322 for permit renewal and shall reset the five-year permit term.
 2. Additional requirements, including excess emissions requirements, become applicable to an affected source under the acid rain program. Upon approval by the Administrator, excess emissions offset plans shall be deemed to be incorporated into the Class I permit.

3. The Director or the Administrator determines that the permit contains a material mistake or that inaccurate statements were made in establishing the emissions standards or other terms or conditions of the permit.
 4. The Director or the Administrator determines that the permit needs to be revised or revoked to assure compliance with the applicable requirements.
- C. Proceedings to reopen and reissue a permit, including appeal of any final action relating to a permit reopening, shall follow the same procedures as apply to initial permit issuance and shall, except for reopenings under Condition III.B.1 above, affect only those parts of the permit for which cause to reopen exists. Such reopenings shall be made as expeditiously as practicable. Permit reopenings for reasons other than those stated in Condition III.B.1 above shall not result in a resetting of the five-year permit term.

IV. POSTING OF PERMIT

[A.A.C. R18-2-315]

- A. The Permittee shall post this permit or a certificate of permit issuance where the facility is located in such a manner as to be clearly visible and accessible. All equipment covered by this permit shall be clearly marked with one of the following:
1. Current permit number; or
 2. Serial number or other equipment ID number that is also listed in the permit to identify that piece of equipment.
- B. A copy of the complete permit shall be kept on site.

V. FEE PAYMENT

[A.A.C. R18-2-306.A.9 and -326]

The Permittee shall pay fees to the Director pursuant to ARS § 49-426(E) and A.A.C. R18-2-326.

VI. ANNUAL EMISSION INVENTORY QUESTIONNAIRE

[A.A.C. R18-2-327.A and B]

- A. The Permittee shall complete and submit to the Director an annual emissions inventory questionnaire. The questionnaire is due by March 31st or ninety days after the Director makes the inventory form available each year, whichever occurs later, and shall include emission information for the previous calendar year.
- B. The questionnaire shall be on a form provided by the Director and shall include the information required by A.A.C. R18-2-327.

VII. COMPLIANCE CERTIFICATION

[A.A.C. R18-2-309.2.a, -309.2.c-d, and -309.5.d]

- A. The Permittee shall submit a compliance certification to the Director semiannually, which describes the compliance status of the source with respect to each permit condition. The first certification shall be submitted no later than May 15th, and shall report the compliance status of the source during the period between October 1st of the previous year and March 31st of the current year. The second certification shall be submitted no later than November 15th, and shall report the compliance status of the source during the period between April 1st and September 30th of the current year.

The compliance certifications shall include the following:

1. Identification of each term or condition of the permit that is the basis of the certification;
 2. Identification of the methods or other means used by the Permittee for determining the compliance status with each term and condition during the certification period,
 3. The status of compliance with the terms and conditions of the permit for the period covered by the certification, including whether compliance during the period was continuous or intermittent. The certification shall be based on the methods and means designated in Condition VII.A.2 above. The certifications shall identify each deviation and take into account for consideration in the compliance certification.
 4. For emission units subject to 40 CFR Part 64, the certification shall also identify as possible exceptions to compliance any period during which compliance is required and in which an excursion or exceedance defined under 40 CFR Part 64 occurred;
 5. All instances of deviations from permit requirements reported pursuant to Condition XII.B of this Attachment; and
 6. Other facts the Director may require to determine the compliance status of the source.
- B.** A copy of all compliance certifications shall also be submitted to the EPA Administrator.
- C.** If any outstanding compliance schedule exists, a progress report shall be submitted with the semi-annual compliance certifications required in Condition VII.A above.

VIII. CERTIFICATION OF TRUTH, ACCURACY AND COMPLETENESS

[A.A.C. R18-2-304.H]

Any document required to be submitted by this permit, including reports, shall contain a certification by a responsible official of truth, accuracy, and completeness. This certification shall state that, based on information and belief formed after reasonable inquiry, the statements and information in the document are true, accurate, and complete.

IX. INSPECTION AND ENTRY

[A.A.C. R18-2-309.4]

Upon presentation of proper credentials, the Permittee shall allow the Director or the authorized representative of the Director to:

- A.** Enter upon the Permittee's premises where a source is located, emissions-related activity is conducted, or where records are required to be kept under the conditions of the permit;
- B.** Have access to and copy, at reasonable times, any records that are required to be kept under the conditions of the permit;
- C.** Inspect, at reasonable times, any facilities, equipment (including monitoring and air pollution control equipment), practices, or operations regulated or required under the permit;
- D.** Sample or monitor, at reasonable times, substances or parameters for the purpose of assuring compliance with the permit or other applicable requirements; and
- E.** Record any inspection by use of written, electronic, magnetic and photographic media.

X. PERMIT REVISION PURSUANT TO FEDERAL HAZARDOUS AIR POLLUTANT STANDARD [A.A.C. R18-2-304.C]

If this source becomes subject to a standard promulgated by the Administrator pursuant to Section 112(d) of the Act, then the Permittee shall, within twelve months of the date on which the standard is promulgated, submit an application for a permit revision demonstrating how the source will comply with the standard.

XI. ACCIDENTAL RELEASE PROGRAM [40 CFR Part 68]

If this source becomes subject to the provisions of 40 CFR Part 68, then the Permittee shall comply with these provisions according to the time line specified in 40 CFR Part 68.

XII. EXCESS EMISSIONS, PERMIT DEVIATIONS, AND EMERGENCY REPORTING

A. Excess Emissions Reporting [A.A.C. R18-2-310.01.A and -310.01.B]

1. Excess emissions shall be reported as follows:

a. The Permittee shall report to the Director any emissions in excess of the limits established by this permit. Such report shall be in two parts as specified below:

- (1) Notification by telephone or facsimile within 24 hours of the time when the Permittee first learned of the occurrence of excess emissions including all available information from Condition XII.A.1.b below.
- (2) Detailed written notification by submission of an excess emissions report within 72 hours of the notification pursuant to Condition XII.A.1.a.(1) above.

b. The report shall contain the following information:

- (1) Identity of each stack or other emission point where the excess emissions occurred;
- (2) Magnitude of the excess emissions expressed in the units of the applicable emission limitation and the operating data and calculations used in determining the magnitude of the excess emissions;
- (3) Date, time and duration, or expected duration, of the excess emissions;
- (4) Identity of the equipment from which the excess emissions emanated;
- (5) Nature and cause of such emissions;
- (6) If the excess emissions were the result of a malfunction, steps taken to remedy the malfunction and the steps taken or planned to prevent the recurrence of such malfunctions; and

- (7) Steps taken to limit the excess emissions. If the excess emissions resulted from start-up or malfunction, the report shall contain a list of the steps taken to comply with the permit procedures.
2. In the case of continuous or recurring excess emissions, the notification requirements of this section shall be satisfied if the source provides the required notification after excess emissions are first detected and includes in such notification an estimate of the time the excess emissions will continue. Excess emissions occurring after the estimated time period, or changes in the nature of the emissions as originally reported, shall require additional notification pursuant to Condition XII.A.1 above.

[A.A.C. R18-2-310.01.C]

B. Permit Deviations Reporting

[A.A.C. R18-2-306.A.5.b]

The Permittee shall promptly report deviations from permit requirements, including those attributable to upset conditions as defined in the permit, the probable cause of such deviations, and any corrective actions or preventive measures taken. Prompt reporting shall mean that the report was submitted to the Director by certified mail, facsimile, or hand delivery within two working days of the time when emission limitations were exceeded due to an emergency or within two working days of the time when the owner or operator first learned of the occurrence of a deviation from a permit requirement.

C. Emergency Provision

[A.A.C. R18-2-306.E]

1. An “emergency” means any situation arising from sudden and reasonably unforeseeable events beyond the control of the source, including acts of God, that require immediate corrective action to restore normal operation, and that causes the source to exceed a technology-based emission limitation under the permit, due to unavoidable increases in emissions attributable to the emergency. An emergency shall not include noncompliance to the extent caused by improperly designed equipment, lack of preventative maintenance, careless or improper operation, or operator error.
2. An emergency constitutes an affirmative defense to an action brought for noncompliance with such technology-based emission limitations if Condition XII.C.3 is met.
3. The affirmative defense of emergency shall be demonstrated through properly signed, contemporaneous operating logs, or other relevant evidence that:
 - a. An emergency occurred and that the Permittee can identify the cause(s) of the emergency;
 - b. The permitted facility was being properly operated at the time;
 - c. During the period of the emergency, the Permittee took all reasonable steps to minimize levels of emissions that exceeded the emissions standards or other requirements in the permit; and
 - d. The Permittee submitted notice of the emergency to the Director by certified mail, facsimile, or hand delivery within two working days of the time when emission limitations were exceeded due to the emergency. This notice shall

contain a description of the emergency, any steps taken to mitigate emissions, and corrective action taken.

4. In any enforcement proceeding, the Permittee seeking to establish the occurrence of an emergency has the burden of proof.
5. This provision is in addition to any emergency or upset provision contained in any applicable requirement.

D. Compliance Schedule

[ARS § 49-426.I.5]

For any excess emission or permit deviation that cannot be corrected within 72 hours, the Permittee is required to submit a compliance schedule to the Director within 21 days of such occurrence. The compliance schedule shall include a schedule of remedial measures, including an enforceable sequence of actions with milestones, leading to compliance with the permit terms or conditions that have been violated.

E. Affirmative Defenses for Excess Emissions Due to Malfunctions, Startup, and Shutdown

[A.A.C. R18-2-310]

1. Applicability

This rule establishes affirmative defenses for certain emissions in excess of an emission standard or limitation and applies to all emission standards or limitations except for standards or limitations:

- a. Promulgated pursuant to Sections 111 or 112 of the Act;
- b. Promulgated pursuant to Titles IV or VI of the Clean Air Act;
- c. Contained in any Prevention of Significant Deterioration (PSD) or New Source Review (NSR) permit issued by the U.S. EPA;
- d. Contained in A.A.C. R18-2-715.F; or
- e. Included in a permit to meet the requirements of A.A.C. R18-2-406.A.5.

2. Affirmative Defense for Malfunctions

Emissions in excess of an applicable emission limitation due to malfunction shall constitute a violation. When emissions in excess of an applicable emission limitation are due to a malfunction, the Permittee has an affirmative defense to a civil or administrative enforcement proceeding based on that violation, other than a judicial action seeking injunctive relief, if the Permittee has complied with the reporting requirements of A.A.C. R18-2-310.01 and has demonstrated all of the following:

- a. The excess emissions resulted from a sudden and unavoidable breakdown of process equipment or air pollution control equipment beyond the reasonable control of the Permittee;

- b. The air pollution control equipment, process equipment, or processes were at all times maintained and operated in a manner consistent with good practice for minimizing emissions;
- c. If repairs were required, the repairs were made in an expeditious fashion when the applicable emission limitations were being exceeded. Off-shift labor and overtime were utilized where practicable to ensure that the repairs were made as expeditiously as possible. If off-shift labor and overtime were not utilized, the Permittee satisfactorily demonstrated that the measures were impracticable;
- d. The amount and duration of the excess emissions (including any bypass operation) were minimized to the maximum extent practicable during periods of such emissions;
- e. All reasonable steps were taken to minimize the impact of the excess emissions on ambient air quality;
- f. The excess emissions were not part of a recurring pattern indicative of inadequate design, operation, or maintenance;
- g. During the period of excess emissions there were no exceedances of the relevant ambient air quality standards established in Title 18, Chapter 2, Article 2 of the Arizona Administrative Code that could be attributed to the emitting source;
- h. The excess emissions did not stem from any activity or event that could have been foreseen and avoided, or planned, and could not have been avoided by better operations and maintenance practices;
- i. All emissions monitoring systems were kept in operation if at all practicable; and
- j. The Permittee's actions in response to the excess emissions were documented by contemporaneous records.

3. Affirmative Defense for Startup and Shutdown

- a. Except as provided in Condition XII.E.3.b below, and unless otherwise provided for in the applicable requirement, emissions in excess of an applicable emission limitation due to startup and shutdown shall constitute a violation. When emissions in excess of an applicable emission limitation are due to startup and shutdown, the Permittee has an affirmative defense to a civil or administrative enforcement proceeding based on that violation, other than a judicial action seeking injunctive relief, if the Permittee has complied with the reporting requirements of A.A.C. R18-2-310.01 and has demonstrated all of the following:
 - (1) The excess emissions could not have been prevented through careful and prudent planning and design;
 - (2) If the excess emissions were the result of a bypass of control equipment, the bypass was unavoidable to prevent loss of life,

personal injury, or severe damage to air pollution control equipment, production equipment, or other property;

- (3) The air pollution control equipment, process equipment, or processes were at all times maintained and operated in a manner consistent with good practice for minimizing emissions;
- (4) The amount and duration of the excess emissions (including any bypass operation) were minimized to the maximum extent practicable during periods of such emissions;
- (5) All reasonable steps were taken to minimize the impact of the excess emissions on ambient air quality;
- (6) During the period of excess emissions there were no exceedances of the relevant ambient air quality standards established in Title 18, Chapter 2, Article 2 of the Arizona Administrative Code that could be attributed to the emitting source;
- (7) All emissions monitoring systems were kept in operation if at all practicable; and
- (8) Contemporaneous records documented the Permittee's actions in response to the excess emissions.

- b. If excess emissions occur due to a malfunction during routine startup and shutdown, then those instances shall be treated as other malfunctions subject to Condition XII.E.2 above.

4. Affirmative Defense for Malfunctions during Scheduled Maintenance

If excess emissions occur due to a malfunction during scheduled maintenance, then those instances will be treated as other malfunctions subject to Condition XII.E.2 above.

5. Demonstration of Reasonable and Practicable Measures

For an affirmative defense under Condition XII.E.2 or XII.E.3 above, the Permittee shall demonstrate, through submission of the data and information required by Condition XII.E and A.A.C. R18-2-310.01, that all reasonable and practicable measures within the Permittee's control were implemented to prevent the occurrence of the excess emissions.

XIII. RECORD KEEPING REQUIREMENTS

[A.A.C. R18-2-306.A.4]

- A. The Permittee shall keep records of all required monitoring information including, but not limited to, the following:
 1. The date, place as defined in the permit, and time of sampling or measurements;
 2. The date(s) analyses were performed;
 3. The name of the company or entity that performed the analyses;

4. A description of the analytical techniques or methods used;
 5. The results of such analyses; and
 6. The operating conditions as existing at the time of sampling or measurement.
- B.** The Permittee shall retain records of all required monitoring data and support information for a period of at least 5 years from the date of the monitoring sample, measurement, report, or application. Support information includes all calibration and maintenance records and all original strip-chart recordings or other data recordings for continuous monitoring instrumentation, and copies of all reports required by the permit.
- C.** All required records shall be maintained either in an unchangeable electronic format or in a handwritten logbook utilizing indelible ink.

XIV. REPORTING REQUIREMENTS

[A.A.C. R18-2-306.A.5.a]

The Permittee shall submit the following reports:

- A.** Compliance certifications in accordance with Section VII of Attachment "A".
- B.** Excess emission; permit deviation, and emergency reports in accordance with Section XII of Attachment "A".
- C.** Other reports required by any condition of Attachment "B".

XV. DUTY TO PROVIDE INFORMATION

[A.A.C. R18-2-304.G and -306.A.8.e]

- A.** The Permittee shall furnish to the Director, within a reasonable time, any information that the Director may request in writing to determine whether cause exists for revising, revoking and reissuing, or terminating the permit, or to determine compliance with the permit. Upon request, the Permittee shall also furnish to the Director copies of records required to be kept by the permit. For information claimed to be confidential, the Permittee shall furnish an additional copy of such records directly to the Administrator along with a claim of confidentiality.
- B.** If the Permittee has failed to submit any relevant facts or has submitted incorrect information in the permit application, the Permittee shall, upon becoming aware of such failure or incorrect submittal, promptly submit such supplementary facts or corrected information.

XVI. PERMIT AMENDMENT OR REVISION

[A.A.C. R18-2-318, -319, and -320]

The Permittee shall apply for a permit amendment or revision for changes to the facility which do not qualify for a facility change without revision under Section XVII, as follows:

- A.** Administrative Permit Amendment (A.A.C. R18-2-318);
- B.** Minor Permit Revision (A.A.C. R18-2-319); and
- C.** Significant Permit Revision (A.A.C. R18-2-320).

The applicability and requirements for such action are defined in the above referenced regulations.

XVII. FACILITY CHANGE WITHOUT A PERMIT REVISION

[A.A.C. R18-2-306.A.4 and -317]

- A.** The Permittee may make changes at the permitted source without a permit revision if all of the following apply:
1. The changes are not modifications under any provision of Title I of the Act or under ARS § 49-401.01(19);
 2. The changes do not exceed the emissions allowable under the permit whether expressed therein as a rate of emissions or in terms of total emissions;
 3. The changes do not violate any applicable requirements or trigger any additional applicable requirements;
 4. The changes satisfy all requirements for a minor permit revision under A.A.C. R18-2-319.A; and
 5. The changes do not contravene federally enforceable permit terms and conditions that are monitoring (including test methods), record keeping, reporting, or compliance certification requirements.
- B.** The substitution of an item of process or pollution control equipment for an identical or substantially similar item of process or pollution control equipment shall qualify as a change that does not require a permit revision, if it meets all of the requirements of Conditions XVII.A and XVII.C of this Attachment.
- C.** For each change under Conditions XVII.A and XVII.B above, a written notice by certified mail or hand delivery shall be received by the Director and the Administrator a minimum of 7 working days in advance of the change. Notifications of changes associated with emergency conditions, such as malfunctions necessitating the replacement of equipment, may be provided less than 7 working days in advance of the change, but must be provided as far in advance of the change as possible or, if advance notification is not practicable, as soon after the change as possible.
- D.** Each notification shall include:
1. When the proposed change will occur;
 2. A description of the change;
 3. Any change in emissions of regulated air pollutants; and
 4. Any permit term or condition that is no longer applicable as a result of the change.
- E.** The permit shield described in A.A.C. R18-2-325 shall not apply to any change made under this Section, other than implementation of an alternate to Conditions XVII.A and XVII.B above.
- F.** Except as otherwise provided for in the permit, making a change from one alternative operating scenario to another as provided under A.A.C. R18-2-306.A.11 shall not require any prior notice under this Section.

- G.** Notwithstanding any other part of this Section, the Director may require a permit to be revised for any change that, when considered together with any other changes submitted by the same source under this Section over the term of the permit, do not satisfy Condition XVII.A above.

XVIII. TESTING REQUIREMENTS

[A.A.C. R18-2-312]

- A.** The Permittee shall conduct performance tests as specified in the permit and at such other times as may be required by the Director.

B. Operational Conditions during Testing

Tests shall be conducted during operation at the full load of each unit under representative operational conditions unless other conditions are required by the applicable test method or in this permit. With prior written approval from the Director, testing may be performed at a lower rate. Operations during periods of start-up, shutdown, and malfunction (as defined in A.A.C. R18-2-101) shall not constitute representative operational conditions unless otherwise specified in the applicable standard.

- C.** Tests shall be conducted and data reduced in accordance with the test methods and procedures contained in the Arizona Testing Manual unless modified by the Director pursuant to A.A.C. R18-2-312.B.

D. Test Plan

At least 14 calendar days prior to performing a test, the Permittee shall submit a test plan to the Director in accordance with A.A.C. R18-2-312.B and the Arizona Testing Manual. This test plan must include the following:

1. Test duration;
2. Test location(s);
3. Test method(s); and
4. Source operation and other parameters that may affect test results.

E. Stack Sampling Facilities

The Permittee shall provide, or cause to be provided, performance testing facilities as follows:

1. Sampling ports adequate for test methods applicable to the facility;
2. Safe sampling platform(s);
3. Safe access to sampling platform(s); and
4. Utilities for sampling and testing equipment.

F. Interpretation of Final Results

Each performance test shall consist of three separate runs using the applicable test method. Each run shall be conducted for the time and under the conditions specified in the applicable

standard. For the purpose of determining compliance with an applicable standard, the arithmetic mean of the results of the three runs shall apply. In the event that a sample is accidentally lost or conditions occur in which one of the three runs is required to be discontinued because of forced shutdown, failure of an irreplaceable portion of the sample train, extreme meteorological conditions, or other circumstances beyond the Permittee's control, compliance may, upon the Director's approval, be determined using the arithmetic mean of the results of the other two runs. If the Director or the Director's designee is present, tests may only be stopped with the Director's or such designee's approval. If the Director or the Director's designee is not present, tests may only be stopped for good cause. Good cause includes: forced shutdown, failure of an irreplaceable portion of the sample train, extreme meteorological conditions, or other circumstances beyond the Permittee's control. Termination of any test without good cause after the first run is commenced shall constitute a failure of the test. Supporting documentation, which demonstrates good cause, must be submitted.

G. Report of Final Test Results

A written report of the results of all performance tests shall be submitted to the Director within 30 days after the test is performed. The report shall be submitted in accordance with the Arizona Testing Manual and A.A.C. R18-2-312.A.

XIX. PROPERTY RIGHTS

[A.A.C. R18-2-306.A.8.d]

This permit does not convey any property rights of any sort, or any exclusive privilege.

XX. SEVERABILITY CLAUSE

[A.A.C. R18-2-306.A.7]

The provisions of this permit are severable. In the event of a challenge to any portion of this permit, or if any portion of this permit is held invalid, the remaining permit conditions remain valid and in force.

XXI. PERMIT SHIELD

[A.A.C. R18-2-325]

Compliance with the conditions of this permit shall be deemed compliance with all applicable requirements identified in the portions of this permit subtitled "Permit Shield". The permit shield shall not apply to minor revisions pursuant to Condition XVI.B of this Attachment and any facility changes without a permit revision pursuant to Section XVII of this Attachment.

XXII. PROTECTION OF STRATOSPHERIC OZONE

[40 CFR Part 82]

If this source becomes subject to the provisions of 40 CFR Part 82, then the Permittee shall comply with these provisions accordingly.

ATTACHMENT "B": SPECIFIC CONDITIONS

Air Quality Control Permit No. 32961

For

UNS Electric, Inc. – Valencia Power Plant

I. FACILITY WIDE REQUIREMENTS

- A.** At the time the compliance certifications required by Section VII of Attachment "A" are submitted, the Permittee shall submit reports of all monitoring activities required by this Attachment performed in the same six month period as applies to the compliance certification period. [A.A.C. R18-2-306.A.5.a]
- B.** The Permittee shall keep a log of all emission related maintenance activities performed at the facility. [A.A.C. R18-2-306.A.3.c]

II. GAS TURBINE UNITS P1, P2, P3, and P4

A. General Provisions

The following requirements apply to the operation, maintenance, and testing of Gas Turbine Units P1, P2, P3, and P4 and associated monitoring systems in accordance with 40 CFR Part 60, Subpart A – General Provisions.

1. All requests, reports, applications, submittals, and other communications to the Director pursuant to A.A.C. R18-2-901, -902, and 40 CFR Part 60 shall be submitted in duplicate to the EPA Region 9 office at the following address:

Director, Air Division (Attn: AIR-1)
EPA Region IX
75 Hawthorne Street
San Francisco, CA 94105

[A.A.C. R18-2-901, -902, 40 CFR 60.4(a)]

2. The Permittee shall comply with the general notification requirements contained in 40 CFR 60.7(a), including but not limited to:
- a. Notification of the date of construction of Unit P4 postmarked no later than 30 days after such date.
- b. Notification of the actual date of initial startup of Unit P4 postmarked within 15 days of after such date.
- c. Notification of the date upon which demonstration of the continuous monitoring system performance commences in accordance with 40 CFR 60.13(c) postmarked not less than 30 days prior to such date. [A.A.C. R18-2-901(1) {40 CFR 60.7(a)}]
3. The Permittee shall maintain records of the occurrence and duration of any startup, shutdown, or malfunction in the operation of an affected facility; any malfunction of the air pollution control equipment; or any periods during which a continuous monitoring system or monitoring device is inoperative. [A.A.C. R18-2-901(1) {40 CFR 60.7(b)}]

4. The Permittee shall submit excess emissions and monitoring systems performance reports and/or summary report forms on a quarterly basis as required by 40 CFR 60.7(c) and (d). The Permittee may reduce the frequency of reporting in accordance with the provisions in 60.7(e). [A.A.C. R18-2-901(1) {40 CFR 60.7(c), 60.7(d), 60.7(e)}]
5. The Permittee shall maintain a file of all measurements, including continuous monitoring system, monitoring device, and performance testing measurements; all continuous monitoring system performance evaluations; all continuous monitoring system or monitoring device calibration checks; adjustments and maintenance performed on these systems or devices; and all other information required in a permanent form suitable for inspection. The file shall be retained for at least two years following the date of such measurements, maintenance, reports, and records, except as provided in 40 CFR 60.7(f)(1) and (2). [A.A.C. R18-2-901(1) {40 CFR 60.7(f)}]
6. For Gas Turbine Unit P4, the Permittee shall perform a NO_x emissions performance test within 60 days after achieving the maximum production rate at which the Unit will be operated but not later than 180 days after initial startup. The Permittee shall furnish a written report of the results of the performance test to the Director. [A.A.C. R18-2-901(1) {40 CFR 60.8}]
7. At all times, including periods of startup, shutdown, and malfunction, the Permittee shall, to the extent practicable, maintain and operate this facility including associated air pollution control equipment in a manner consistent with good air pollution control practice for minimizing emissions. Determination of whether acceptable operating and maintenance procedures are being used will be based on information available to the Administrator which may include, but is not limited to, monitoring results, opacity observations, review of operating and maintenance procedures, and inspection of the source. [A.A.C. R18-2-901(1) {40 CFR 60.11(d)}]
8. For the purpose of submitting compliance certifications or establishing whether or not a person has violated or is in violation of any standard in 40 CFR Part 60, nothing shall preclude the use, including the exclusive use, of any credible evidence or information, relevant to whether a source would have been in compliance with applicable requirements if the appropriate performance or compliance test or procedure had been performed. [A.A.C. R18-2-901(1) {40 CFR 60.11(g)}]
9. The Permittee shall not build, erect, install, or use any article, machine, equipment or process, the use of which conceals an emission, which would otherwise constitute a violation of an applicable standard. Such concealment includes, but is not limited to, the use of gaseous diluents to achieve compliance with opacity standard or with a standard, which is based on the concentration of a pollutant in the gases discharged to the atmosphere. [A.A.C. R18-2-901(1) {40 CFR 60.12}]
10. The Permittee shall comply with the “General notification and reporting requirements” found in 40 CFR 60.19. [A.A.C. R18-2-901(1) {40 CFR 60.19}]

B. Operational Limitations

1. Fuel Limitation

a. Type of Fuel

The Permittee shall not cause or allow the combustion of any fuel in Gas Turbine Units P1, P2, P3, and P4 other than:

- (1) Pipeline quality natural gas;
- (2) Distillate fuel oil; or
- (3) Mixture of natural gas and distillate fuel oil.

[A.A.C. R18-2-306.A.2]

b. Monitoring, Recordkeeping, and Reporting Requirements

- (1) On a daily basis, the Permittee shall keep records of the type of fuel burned in Gas Turbine Units P1, P2, P3, and P4.
- (2) The Permittee shall log in ink or in an electronic format a record of any change in fuel type including:
 - (a) Type of fuel change;
 - (b) Date of the fuel change; and
 - (c) Time of the fuel change.

[A.A.C. R18-2-306.A.4]

C. Nitrogen Oxides

1. Emission Limitations/Standards

- a. The Permittee shall not cause to be discharged into the atmosphere from each Gas Turbine (Units P1, P2, P3, and P4) any gases which contain nitrogen oxides (NO_x) in excess of:

$$STD = 0.0075 \frac{(14.4)}{Y} + F$$

where:

STD = allowable ISO corrected NO_x emission concentration (percent by volume at 15 percent oxygen and on a dry basis),

Y = manufacturer's rated heat rate at manufacturer's rated load (kilojoules per watt hour) or, actual measured heat rate based on lower heating value of fuel as measured at actual peak load for the facility. The value of Y shall not exceed 14.4 kilojoules per watt hour, and

F = NO_x emission allowance for fuel-bound nitrogen = 0.

For Gas Turbine Units P1, P2, P3, and P4, STD = 75 ppmv at 15% oxygen

[A.A.C. R18-2-901(40), 40 CFR 60.332(a)(1), 60.332(b)]

- b. Total combined emissions of NO_x from Gas Turbine Units P1, P2, P3, and P4 shall not exceed 240 tons per year, calculated daily as rolling 365-day total.
[A.A.C. R18-2-306.01, -306.02, -331.A.3.a]
[Material permit conditions are indicated by underline and italics]

2. Air Pollution Control Equipment

- a. At all times when Gas Turbine Units P1, P2, P3, and/or P4 are in operation, including periods of startup, shutdown, and malfunction, the Permittee shall to the extent practicable, maintain and operate the water injection system(s) in a manner consistent with good air pollution control practice for minimizing NO_x emissions.
[A.A.C. R18-2-901(1) {40 CFR 60.11(d)}, A.A.C. R18-2-331.A.3.e]
[Material permit conditions are indicated by underline and italics]
- b. The Permittee shall install, operate and maintain an audible alarm system on each gas turbine unit to alert the turbine operator when the water injection system becomes inoperable.
[A.A.C. R18-2-306.A.3, -331.A.3.e]
[Material permit conditions are indicated by underline and italics]

3. Monitoring, Recordkeeping, and Reporting Requirements

- a. The Permittee shall install, certify, maintain, operate and quality-assure Continuous Emission Monitoring Systems (CEMS) consisting of NO_x and O₂ (or CO₂) monitors for measuring NO_x emissions from Gas Turbine Units P1, P2, P3, and P4.
[A.A.C. R18-2-306.A.3, -306.02.C, -331.A.3.c]
[Material permit conditions are indicated by underline and italics]
- b. The Permittee shall install, calibrate, maintain, and operate fuel flow rate monitoring systems for determining the natural gas and/or distillate fuel oil input rate to each gas turbine unit for each operating hour. Each fuel flow rate monitoring system shall be calibrated and quality-assured in accordance with Conditions II.F.7 and II.F.8.
[A.A.C. R18-2-306.A.3, -306.02.C, -331.A.3.c]
[Material permit conditions are indicated by underline and italics]
- c. State-only Enforceable NSPS Provisions

Until such time the provisions of 40 CFR Part 60 Subpart GG as amended on July 8, 2004 are incorporated by reference into A.A.C. R18-2-901, the Permittee shall comply with the following requirements:

- (1) Install and operate a continuous monitoring system to monitor and record the fuel consumption and the ratio of water to fuel being fired in each gas turbine unit. This system shall be accurate to within ± 5.0 percent and shall be approved by the Director.
[A.A.C. R18-2-901(40): State-only enforceable]
- (2) For the purpose of excess emissions reporting, period of excess emissions shall include any one-hour period during which the average water-to-fuel ratio, as measured by the continuous monitoring system, falls below the water-to-fuel ratio determined to demonstrate compliance with Condition II.C.1.a by the performance test required by 40 CFR 60.8.
[A.A.C. R18-2-901(40): State-only enforceable]

d. Federally Enforceable NSPS Provisions

The Permittee shall comply with the following requirements contained in 40 CFR Part 60 Subpart GG. Following the incorporation of 40 CFR Part 60 Subpart GG as amended on July 8, 2004 by reference into A.A.C. R18-2-901, the requirements of this condition shall supersede the requirements of Condition II.C.3.c.

(1) The Permittee shall comply with the NO_x emission limitation in Condition II.C.1.a by using one of the following methods:

(a) Install and operate a continuous monitoring system to monitor and record the fuel consumption and the ratio of water to fuel being fired in each turbine.

[A.A.C. R18-2-901(40), 40 CFR 60.334(a)]

(b) Utilize the CEMS required by Condition II.C.3.a and demonstrate compliance in accordance with Condition II.C.3.d.(3) below.

[40 CFR 60.334(d)]

(2) If the Permittee elects to demonstrate compliance with Condition II.C.1.a by continuously monitoring the water to fuel ratio as provided by Condition II.C.3.d.(1)(a), the following requirements shall apply:

(a) The water to fuel ratio shall be monitored during the performance test required under 40 CFR 60.8 to establish acceptable values and ranges. The Permittee may supplement the performance test data with engineering analyses, design specifications, manufacturer's recommendations and other relevant information to define the acceptable parametric ranges more precisely. The Permittee shall develop and keep on-site a parameter monitoring plan which explains the procedures used to document proper operation of the NO_x emission controls.

(b) An excess emission shall be any unit operating hour for which the average water to fuel ratio, as measured by the continuous monitoring system, falls below the acceptable water to fuel ratio needed to demonstrate compliance with Condition II.C.1.a, as established during the performance test required in 40 CFR 60.8. Any unit operating hour in which no water is injected into the turbine shall also be considered an excess emission.

(c) A period of monitor downtime shall be any unit operating hour in which water is injected into the turbine, but the essential parametric data needed to determine the water to fuel ratio are unavailable or invalid.

(d) Each report shall include the average water to fuel ratio, average fuel consumption, ambient conditions (temperature, pressure, and humidity) and gas turbine load.

The Permittee is not required to report ambient conditions if opting to use the worst case ISO correction factor as specified in 40 CFR 60.334(b)(3)(ii).

[A.A.C. R18-2-901(40), 40 CFR 60.334(g), 40 CFR 60.334(j)(1)(i)]

- (3) If the Permittee elects to demonstrate compliance with Condition II.C.1.a using CEMS as provided by Condition II.C.3.d.(1)(b), the following requirements shall apply:
- (a) The NO_x and diluent CEMS shall be installed, certified, maintained and operated as follows:
 - (i) Each CEMS must be installed and certified according to Performance Specification 2 and 3 (for diluent) of 40 CFR Part 60, Appendix B, except the 7-day calibration drift is based on unit operating days, not calendar days.
[40 CFR 60.334(b)(1)]
 - (ii) The NO_x and diluent CEMS on Turbine Generator Unit P4 shall be installed and operational prior to conducting performance tests as required by Condition II.C.4.
[40 CFR 60.13(b)]
 - (iii) During each full unit operating hour, each monitor must complete a minimum of one cycle of operation (sampling, analyzing, and data recording) for each 15-minute quadrant of the hour, to validate the hour. For partial unit operating hours, at least one valid data point must be obtained for each quadrant of the hour in which the unit operates. For unit operating hours in which required quality assurance and maintenance activities are performed on the CEMS, a minimum of two valid data points (one in each of two quadrants) are required to validate the hour.
[40 CFR 60.334(b)(2)]
 - (iv) For the purpose of identifying excess emissions, CEMS data must be reduced to hourly averages as specified in 40 CFR 60.13(h). [40 CFR 60.334(b)(3)]
 - (v) For each unit operating hour in which a valid hourly average is obtained for both NO_x and diluent, the data acquisition and handling system must calculate and record the hourly NO_x emissions in the units of the applicable NO_x emission standard under Condition II.C.1.a of this Attachment. For any hour in which the hourly average O₂ concentration exceeds 19.0 percent O₂, a diluent cap value of 19.0 percent O₂ may be used in the emission calculations. [40 CFR 60.334(b)(3)(i)]

- (vi) A worst case ISO correction factor may be calculated and applied using historical ambient data in accordance with the procedures in 40 CFR 60.334(b)(3)(ii). [40 CFR 60.334(b)(3)(ii)]

(b) The Permittee shall submit reports of excess emissions and monitor downtime in accordance with 40 CFR 60.7(c). The reports shall be postmarked by the 30th day following the end of each calendar quarter. Excess emissions shall be reported for all periods of unit operation, including startup, shutdown and malfunction. Periods of excess emissions and monitor downtime that shall be reported are defined as follows:

- (i) An hour of excess emissions shall be any unit operating hour in which the 4-hour rolling average NO_x concentration exceeds the applicable emission limit in Condition II.C.1.a of this Attachment. A 4-hour rolling average NO_x concentration is the arithmetic average of the average NO_x concentration measured by the CEMS for a given hour (corrected to 15 percent O₂ and, to ISO standard conditions) and the three unit operating hour average NO_x concentrations immediately preceding that unit operating hour.
- (ii) A period of monitor downtime shall be any unit operating hour in which sufficient data are not obtained to validate the hour, for either NO_x concentration or diluent (or both).
- (iii) Each report shall include the ambient conditions (temperature, pressure, and humidity) at the time of the excess emission period. The Permittee is not required to report ambient conditions if opting to use the worst case ISO correction factor as specified in 40 CFR 60.334(b)(3)(ii). [40 CFR 60.334(j)(1)(iii)]

e. Annual NO_x Emission Limit

For the purpose of compliance demonstration with the annual NO_x emission limit in Condition II.C.1.b, the Permittee shall comply with the continuous emission monitoring, recordkeeping and reporting provisions in Condition II.F of this Attachment.

4. Performance Testing Requirements

For Gas Turbine Unit P4, the Permittee shall conduct a NO_x emissions performance test in accordance with 40 CFR 60.8 and the test methods and procedures in 40 CFR 60.335. The performance test shall be used to demonstrate compliance with the emission limit contained in Condition II.C.1.a of this Attachment. Separate performance tests for natural gas and distillate oil firing are required.

[A.A.C. R18-2-901(40), 40 CFR 60.335]

5. Permit Shield

Compliance with Condition II.C shall be deemed compliance with the following requirements as of the date of issuance of this permit: 40 CFR 60.332(a)(1), 40 CFR 60.332(b), 40 CFR 60.334(a), 40 CFR 60.334(b), 40 CFR 60.334(d), 40 CFR 60.334(g), 40 CFR 60.334(j)(1), 40 CFR 60.335(a), 40 CFR 60.335(b)(1, 2, 4, & 6), 40 CFR 60.335(c), and A.A.C. R18-2-901(40). [A.A.C.R18-2-325]

D. Sulfur Dioxide

1. Emission Limitations/Standards

- a. *The Permittee shall not burn in Gas Turbine Units P1, P2, P3, and P4 any fuel that contains sulfur in excess of 0.2 percent by weight.*

[A.A.C. R18-2-901(40), 40 CFR 60.333(b), A.A.C. R18-2-306.01, -331.A.3.a]

[Material permit conditions are indicated by underline and italics]

- b. *Total combined emissions of sulfur dioxide (SO₂) from Gas Turbine Units P1, P2, P3, and P4 shall not exceed 200 tons per year, calculated monthly as rolling 12-month total.*

[A.A.C. R18-2-306.01, -306.02, -331.A.3.a]

[Material permit conditions are indicated by underline and italics]

2. Monitoring, Recordkeeping, and Reporting Requirements

a. Fuel Sulfur Content

(1) Natural Gas

The Permittee shall maintain a vendor-provided copy of that part of the Federal Energy Regulatory Commission (FERC)-approved Tariff agreement that contains the sulfur content and the lower heating value of the pipeline quality natural gas and demonstrates that the fuel meets the definition of “natural gas” contained in 40 CFR 60.331(u). [A.A.C. R18-2-901(40), 40 CFR 60.334(h)(3)]

(2) Distillate Fuel Oil

- (a) The Permittee shall keep on record a copy of the distillate fuel oil purchase specification sheet. This specification sheet shall include the sulfur content (sulfur weight percentage) and the method used to determine the sulfur content of the distillate fuel oil. [A.A.C. R18-2-306.A.4]

- (b) The Permittee shall monitor the total sulfur content of the distillate fuel oil being fired in each gas turbine unit. The sulfur content of the fuel must be determined using total sulfur methods described in 40 CFR 60.335(b)(10)(i).

[A.A.C. R18-2-901(40), 40 CFR 60.334(h)(1)]

- (c) The Permittee shall use one of the total sulfur sampling options and the associated sampling frequency described in sections 2.2.3, 2.2.4.1, 2.2.4.2, and 2.2.4.3 of 40 CFR 75 Appendix D (i.e., flow proportional sampling, daily sampling, sampling from the unit’s storage tank after each

addition of fuel to the tank, or sampling each delivery prior to combining it with distillate fuel oil already in the intended storage tank).

[A.A.C. R18-2-901(40), 40 CFR 60.334(i)(1)]

- (d) Notwithstanding the allowable distillate fuel oil sampling procedures contained in Condition II.D.2.a.(2)(c), until such time the provisions of 40 CFR 60 Subpart GG as amended on July 8, 2004 are incorporated by reference into A.A.C. R18-2-901, the Permittee shall monitor the distillate fuel oil sulfur content on each occasion that fuel is transferred to the storage tank from any other source.

[A.A.C. R18-2-901(40): State-only enforceable]

- (e) The fuel analyses required by Condition II.D.2.a.(2)(b) may be performed by the Permittee, a service contractor retained by the Permittee, the fuel vendor, or any other qualified agency. Distillate fuel oil vendor specifications maintained in accordance with Condition II.D.2.a.(2)(a) may be used to meet the requirements of Conditions II.D.2.a.(2)(b), (c), and (d), if the sampling and analysis procedures contained in Conditions II.D.2.a.(2)(b), (c), and (d) are adhered to.

[A.A.C. R18-2-901(40), 40 CFR 60.335(b)(11)]

- (f) For the purpose of demonstrating compliance with Condition II.D.1.a, the Permittee shall submit reports of excess emissions and monitor downtime in accordance with 40 CFR 60.7(c). All reports required under 40 CFR 60.7(c) shall be postmarked by the 30th day following the end of each calendar quarter. Excess emissions shall be reported for all periods of unit operation, including startup, shutdown and malfunction. Periods of excess emissions and monitor downtime that shall be reported are defined as follows:

- (1) For oil samples obtained using daily sampling, flow proportional sampling, or sampling from the unit's storage tank, an excess emission occurs each unit operating hour included in the period beginning on the date and hour of any sample for which the sulfur content of the fuel being fired in any gas turbine exceeds the limits in Condition II.D.1.a and ending on the date and hour that a subsequent sample is taken that demonstrates compliance with the sulfur limit.

- (2) If the option to sample each delivery of distillate oil has been selected, the Permittee shall immediately switch to one of the other oil sampling options if the sulfur content of a delivery exceeds the limit in Condition II.D.1.a. The Permittee shall continue to use one of the other sampling options until all of the oil from the delivery has been combusted, and shall evaluate

excess emissions according Condition II.D.2.a.(2)(f)(1). When all of the fuel from the delivery has been burned, the Permittee may resume using the as-delivered sampling option.

- (3) A period of monitor downtime begins when a required sample is not taken by its due date. A period of monitor downtime also begins on the date and hour of a required sample, if invalid results are obtained. The period of monitor downtime shall include only unit operating hours, and ends on the date and hour of the next valid sample.

[A.A.C. R18-2-901(40), 40 CFR 60.334(j)(2)]

b. Annual SO₂ Emission Limit

For the purpose of compliance demonstration with Condition II.D.1.b, the Permittee shall perform the following calculations, recordkeeping, and reporting:

- (1) The Permittee shall utilize fuel sulfur analysis or specification data required by Condition II.D.2.a, actual fuel usage records, and emission factors approved by the Department to calculate and record each individual month and the 12-month rolling total combined SO₂ emission rate from Gas Turbine Units P1, P2, P3, and P4.
- (2) The calculations required by Condition II.D.2.b.(1) shall be performed and results documented by the 15th day of each calendar month for the previous 12-month period.
- (3) Each calendar month during which total combined rolling 12-month total SO₂ emission rate from Gas Turbine Units P1, P2, P3, and P4 exceed 200 tons shall constitute an exceedance of Condition II.D.1.b. Exceedances shall be reported to the Director in accordance with Condition XII.A of Attachment “A”.
- (4) Each individual month and twelve month rolling total SO₂ emission rate in the reporting period shall be included in the semiannual compliance certification required by Condition VII of Attachment “A”.
- (5) All compliance records, calculations, and supporting documentation shall be maintained in accordance with Condition XIII of Attachment “A”.

[A.A.C. R18-2-306.A.3, 4 & 5, -306.02(C)]

3. Permit Shield

Compliance with Condition II.D shall be deemed compliance with 40 CFR 60.333(b), 40 CFR 60.334(h), 40 CFR 60.334(i), 40 CFR 60.334(j)(2), 60.335(b)(10), and A.A.C. R18-2-904(40).

[A.A.C. R18-2-325]

E. Carbon Monoxide

1. Emission Limitations/Standards

Total combined emissions of carbon monoxide (CO) from Gas Turbine Units P1, P2, P3, and P4 shall not exceed 240 tons per year, calculated daily as rolling 365-day total.

[A.A.C R18-2-306.01, -306.02, -331.A.3.a]

[Material permit conditions are indicated by underline and italics]

2. Monitoring, Recordkeeping, and Reporting Requirements

a. The Permittee shall install, certify, maintain, operate and quality-assure Continuous Emission Monitoring Systems (CEMS) consisting of CO and O₂ (or CO₂) monitors for measuring CO emissions from Gas Turbine Units P1, P2, P3, and P4.

[A.A.C. R18-2-306.A.3, -306.02.C, -331.A.3.c]

[Material permit conditions are indicated by underline and italics]

b. The Permittee shall install, calibrate, maintain, and operate fuel flow rate monitoring systems for determining the natural gas and/or distillate fuel oil input rate to each gas turbine unit for each operating hour. Each fuel flow rate monitoring system shall be calibrated and quality-assured in accordance with Conditions II.F.7 and II.F.8.

[A.A.C. R18-2-306.A.3, -306.02.C, -331.A.3.c]

[Material permit conditions are indicated by underline and italics]

c. For the purpose of compliance demonstration with the annual CO emission limit in Condition II.E.1, the Permittee shall comply with the continuous emission monitoring, recordkeeping, and reporting requirements in Condition II.F of this Attachment.

F. Monitoring, Recordkeeping, and Reporting Requirements for Annual NO_x and CO Emission Limits

[A.A.C. R18-2-306.A.3, 4 & 5, -306.02(C), -312.H.3]

1. For the purpose of compliance demonstration with Conditions II.C.1.b and II.E.1, the Permittee shall utilize the NO_x, CO, and diluent CEMS on Gas Turbine Units P1, P2, P3, and P4 in conjunction with the Data Acquisition and Handling System (DAHS) and fuel flow monitoring systems to calculate mass emissions in units of pounds per hour, pounds per day, and tons per daily rolling 365-day total.

2. The Permittee shall comply with the following requirements in 40 CFR 60.13 for each CEMS:

(a) 40 CFR 60.13(d): Zero, span, and calibration drift check requirements;

(b) 40 CFR 60.13(e): Minimum frequency of operation requirements;

(c) 40 CFR 60.13(f): Installation guidelines;

(d) 40 CFR 60.13(h): Data reduction; and

(e) 40 CFR 60.13(i): Provisions for the approval of alternate monitoring procedures

3. Each CEMS shall meet the following Performance Specifications in 40 CFR 60 Appendix B:
 - a. NO_x: Performance Specification 2 – Specifications and Test Procedures for SO₂ and NO_x Continuous Emission Monitoring Systems in Stationary Sources
 - b. O₂ or CO₂: Performance Specification 3 – Specifications and Test Procedures for O₂ and CO₂ Continuous Emission Monitoring Systems in Stationary Sources
 - c. CO: Performance Specification 4 – Specifications and Test Procedures for Carbon Monoxide Continuous Emission Monitoring Systems in Stationary Sources
4. Each CEMS shall meet the Quality Assurance Requirements in 40 CFR 60 Appendix F.
5. A period of monitor downtime shall be any unit operating hour in which sufficient data are not obtained to validate the hour, for either NO_x, CO or diluent concentration or fuel flow rate.
6. During CEMS or fuel flow rate monitoring system downtime, the Permittee shall implement the missing data procedures and calculations contained in the approved monitoring system QA/QC plan.
7. Quality Assurance Requirements for Natural Gas Fuel Flowmeters
 - a. Each transmitter or transducer shall be calibrated by equipment that has a current certificate of traceability to NIST standards at least once every four calendar quarters in which a unit operated on natural gas for 168 hours or more during each quarter but not less than once every three years. The Permittee shall check the calibration of each transmitter or transducer by comparing its readings to that of the NIST traceable equipment at least once at the following levels: the zero-level, and at least two other upscale levels (e.g., “mid” and “high”), such that the full range of transmitter or transducer readings corresponding to normal unit operation is represented.
 - b. The Permittee shall calculate the accuracy of each transmitter or transducer at each level tested, using the following equation:

$$ACC = \frac{|R - T|}{FS} \times 100$$

Where:

ACC = Accuracy of the transmitter or transducer as a percentage of full-scale.

R = Reading of the NIST traceable reference value (in milliamperes, inches of water, psi, or degrees).

T = Reading of the transmitter or transducer being tested (in milliamperes, inches of water, psi, or degrees, consistent with the units of measure of the NIST traceable reference value).

FS = Full-scale range of the transmitter or transducer being tested (in milliamperes, inches of water, psi, or degrees, consistent with the units of measure of the NIST traceable reference value).

- c. If each transmitter or transducer meets an accuracy of ± 1.0 percent of its full-scale range at each level tested, the fuel flowmeter accuracy of 2.0 percent is considered to be met at all levels. If, however, one or more of the transmitters or transducers does not meet an accuracy of ± 1.0 percent of full-scale at a particular level, then the Permittee may demonstrate that the fuel flowmeter meets the total accuracy specification of 2.0 percent at that level by using one of the following alternative methods. If, at a particular level, the sum of the individual accuracies of the three transducers is less than or equal to 4.0 percent, the fuel flowmeter accuracy specification of 2.0 percent is considered to be met for that level. Or, if at a particular level, the total fuel flowmeter accuracy is 2.0 percent or less, when calculated in accordance with Part 1 of American Gas Association Report No. 3, General Equations and Uncertainty Guidelines, the flowmeter accuracy requirement is considered to be met for that level.
- d. If during a transmitter or transducer accuracy test the flowmeter accuracy specification of 2.0 percent is not met at any of the levels tested, the Permittee shall repair or replace the transmitter(s) or transducer(s) as necessary until the flowmeter accuracy specification has been achieved at all levels. (Note that only transmitters or transducers which are repaired or replaced need to be re-tested; however, the re-testing is required at all three measurement levels to ensure that the flowmeter accuracy specification is met at each level).
- e. For orifice-, nozzles, and venturi type flowmeters, the Permittee shall perform a primary element inspection for damage and corrosion at least once every 12 calendar quarters in which a unit operated on natural gas for 168 hours or more during each quarter but not less than once during the term of this permit. If damage and/or corrosion are found, the Permittee shall replace the flowmeter or restore the damaged or corroded flowmeter to "as new" condition.
- f. The Permittee shall log in ink, or in an electronic format the date that the calibration and inspection was conducted, the results of the calibration or inspection, and corrective action taken if needed.

8. Quality Assurance Requirements for Distillate fuel oil Flowmeters

- a. For each flow divider: the speed pickups and transducers shall be calibrated at least once every four calendar quarters in which a unit operated on distillate oil for 168 hours or more during each quarter but not less than once every three years. The Permittee shall log in ink, or in an electronic format, a record of the date the calibration was conducted.
- b. For orifice-, nozzles, venturi, vortex, turbine type flowmeters, and transmitters or transducers the Permittee shall follow the quality assurance

procedures outlined in Condition II.F.7, except that the frequency of such procedures shall be based on operation of the unit(s) on distillate oil.

9. NO_x and CO mass emission rates for each Gas Turbine Unit in units of pounds per hour, pounds per day, and tons per daily rolling 365-day total shall be calculated using the CEMS and diluent concentration data and fuel flow rate monitoring data. The Permittee shall use the procedures in Method 19 of 40 CFR 60 Appendix A and 40 CFR 75 Appendix F as applicable to calculate NO_x mass emission rates.
10. Each calendar day during which total combined rolling 365-day total NO_x emission rate from Gas Turbine Units P1, P2, P3, and P4 exceed 240 tons shall constitute an exceedance of Condition II.C.1.b. Exceedances shall be reported to the Director in accordance with Condition XII.A of Attachment "A".
11. Each calendar day during which total combined rolling 365-day total CO emission rate from Gas Turbine Units P1, P2, P3, and P4 exceed 240 tons shall constitute an exceedance of Condition II.E.1. Exceedances shall be reported to the Director in accordance with Condition XII.A of Attachment "A".
12. Each individual day and 365-day rolling total NO_x and CO emission rate in the reporting period shall be included in the semiannual compliance certification required by Condition VII of Attachment "A".
13. The Permittee shall maintain the following records in accordance with Condition XIII of Attachment "A":
 - a. Records all CEMS and fuel flow rate monitoring system performance evaluations, calibration checks and adjustments, and maintenance activities.
 - b. All compliance records including calculations, reports, and supporting documentation.

III. FUGITIVE DUST REQUIREMENTS

Particulate Matter

A. Emission Limits/Standards

1. Open Areas, Roadways & Streets, Storage Piles, and Material Handling

The Permittee shall not cause, allow or permit visible emissions from open areas, roadways and streets, storage piles or material handling in excess of 40% opacity measured in accordance with the Arizona Testing Manual, Reference Method 9. Open fires permitted under A.A.C.R18-2-602 are exempt from this requirement.

[A.A.C.R18-2-612]

2. Open Burning

Except as provided in A.A.C.R18-2-602.C(1), C(4), and except when permitted to do so by either ADEQ or the local officer delegated the authority for issuance of open burning permits, the permittee shall not conduct open burning. [A.A.C.R18-2-602]

B. Air Pollution Control Measures

The Permittee shall employ the following reasonable precautions, or any other method approved by the Director, to prevent excessive amounts of particulate matter from becoming airborne:

1. Keep dust and other types of air contaminants to a minimum in an open area where construction operations, repair operations, demolition activities, clearing operations, leveling operations, or any earth moving or excavating activities are taking place, by good modern practices such as using an approved dust suppressant or adhesive soil stabilizer, paving covering, landscaping, continuous wetting, detouring, barring access, or other acceptable means; [A.A.C.R18-2-604.A]
2. Keep dust to a minimum from driveway, parking areas, and vacant lots where motor vehicular activity occurs by using an approved dust suppressant, or adhesive soil stabilizer, wetting or by paving, or by barring access to the property, or by other acceptable means; [A.A.C.R18-2-604.B]
3. Keep dust and other particulates to a minimum by employing dust suppressants, temporary paving, detouring, wetting down or by other reasonable means when a roadway is repaired, constructed, or reconstructed; [A.A.C.R18-2-605.A]
4. Take reasonable precautions such as use of dust suppressants before the cleaning of site, roadway, or alley. Earth or other material shall be removed from paved streets onto which earth or other material has been transported by trucking or earth moving equipment, erosions by water or by other means. [A.A.C.R18-2-804.B]

C. Monitoring, Recordkeeping and Reporting Requirements

1. Open Areas, Roadways & Streets, Storage Piles and Material Handling
 - a. Permittee shall maintain appropriate records to demonstrate compliance with the reasonable precautions outlined in Section III.B.1 through III.B.4 above. [A.A.C.R18-2-306.A.3.c]
 - b. Quarterly Monitoring Requirements
 - (1) A certified Method 9 observer shall conduct a quarterly survey of visible emissions from the non-point sources. The Permittee shall keep a record of the name of the observer, the date on which the observation/survey was conducted, and the results of the observation/survey.
 - (2) If the observer sees a plume from a non-point source that on an instantaneous basis appears to exceed 40%, then the observer shall, if practicable, take a six-minute Method 9 observation of the plume. If the six-minute opacity of the plume is less than 40%, the observer shall make a record of the following:
 - (a) Location, date, and time of the observation; and
 - (b) The results of the Method 9 observation.

(3) If the six-minute opacity of the plume exceeds 40%, then the Permittee shall do the following:

- (a) Adjust or repair the controls or equipment to reduce opacity to below 40%; and
- (b) Report it as an excess emission under Section XII.A of Attachment "A".

[A.A.C.R18-2-306.A.3.c]

2. Open Burning

The monitoring requirements for Section III.A.2 of this Attachment may be complied with by maintaining copies of all open burning permits on file. [A.A.C.R18-2-306.A.3.c]

D. Permit Shield

Compliance with the conditions of this part shall be deemed compliance with the following requirements as of the date of issuance of this permit: A.A.C. R18-2-602, -604, -605.A, and A.A.C. R18-2-804.B. [A.A.C.R18-2-325]

IV. MOBILE SOURCES

A. Emission Limitations/Standards

1. Roadway and Site Cleaning Machinery

The Permittee shall not cause, allow or permit to be emitted into the atmosphere from any roadway and site cleaning machinery smoke or dust for any period of time greater than 10 consecutive seconds, the opacity of which exceeds 40 percent. Visible emissions when starting cold equipment shall be exempt from this requirement for the first 10 minutes. [A.A.C.R18-2-804.A]

2. The Permittee shall not cause, allow or permit to be emitted into the atmosphere from any off-road machinery, smoke for any period of time greater than 10 consecutive seconds, the opacity of which exceeds 40 percent. Visible emissions when starting cold equipment shall be exempt from this requirement for the first 10 minutes. [A.A.C.R18-2-802.A]

B. Permit Shield

Compliance with the conditions of this part shall be deemed compliance with the following requirements as of the date of issuance of this permit: A.A.C. R18-2-802.A and A.A.C. R18-2-804.A. [A.A.C. R18-2-325]

V. OTHER PERIODIC ACTIVITIES

A. Abrasive Blasting

Particulate Matter and Opacity Standards

1. Emission Limitation/Standards

- a. The Permittee shall not cause or allow sandblasting or other abrasive blasting without minimizing dust emissions to the atmosphere through the use of good modern practices. Good modern practices include:

- (1) Wet blasting
- (2) Effective enclosure with necessary dust collecting equipment; or
- (3) Any other method approved by the Director.

[A.A.C. R18-2-726]

b. Opacity Limitations

- (1) Until April 23, 2006, the Permittee shall not cause, allow or permit visible emissions from sandblasting or other abrasive blasting operations in excess of 40% opacity as measured by EPA Reference Method 9.
- (2) After April 23, 2006, the Permittee shall not cause, allow, or permit to be emitted into the atmosphere from any sandblasting or other abrasive blasting operations, opacity of greater than 20%.

[A.A.C. R18-2-702.B.2]

[A.A.C. R18-2-702.B.3]

2. Monitoring and Recordkeeping Requirement

Each time an abrasive blasting project is conducted, the Permittee shall log in ink or in an electronic format, a record of the following:

- a. The date the project was conducted;
- b. The duration of the project; and
- c. Type of control measures employed.

[A.A.C. R18-2-306.A.3.c]

3. Permit Shield

Compliance with the conditions of this part shall be deemed compliance with the following requirements as of the date of issuance of this permit: A.A.C. R18-2-702.B.2, A.A.C. R18-2-702.B.3 and A.A.C. R18-2-726.

[A.A.C. R18-2-325]

B. Use of Paints

1. Volatile Organic Compound Standards

a. Emissions Limitations/Standards

While performing spray-painting operations, the Permittee shall comply with the following requirements:

- (1) The Permittee shall not conduct or cause to be conducted any spray painting operation without minimizing organic solvent emissions. Such operations, other than architectural coating and spot painting, shall be conducted in an enclosed area equipped with controls containing no less than 96 percent of the overspray.

[A.A.C. R18-2-727.A]

- (2) The Permittee or their designated contractor shall not either:

- (a) Employ, apply, evaporate, or dry any architectural coating containing photochemically reactive solvents for industrial or commercial purposes; or
- (b) Thin or dilute any architectural coating with a photochemically reactive solvent.

[A.A.C. R18-2-727.B]

- (3) For the purposes of Conditions V.B.1.a. (2) and V.B.1.a.(5), a photochemically reactive solvent shall be any solvent with an aggregate of more than 20 percent of its total volume composed of the chemical compounds classified in Conditions V.B.1.a.(3).(a) through V.B.1.a.(3).(c) below, or which exceeds any of the following percentage composition limitations, referred to the total volume of solvent:

- (a) A combination of the following types of compounds having an olefinic or cyclo-olefinic type of unsaturation-hydrocarbons, alcohols, aldehydes, esters, ethers, or ketones: 5 percent.
- (b) A combination of aromatic compounds with eight or more carbon atoms to the molecule except ethylbenzene: 8 percent.
- (c) A combination of ethylbenzene, ketones having branched hydrocarbon structures, trichloroethylene or toluene: 20 percent.

[A.A.C. R18-2-727.C]

- (4) Whenever any organic solvent or any constituent of an organic solvent may be classified from its chemical structure into more than one of the groups of organic compounds described in Conditions V.B.1.a.(3).(a) through V.B.1.a.(3).(c) above, it shall be considered to be a member of the group having the least allowable percent of the total volume of solvents.

[A.A.C. R18-2-727.D]

- (5) The Permittee shall not dispose of by evaporation more than 1.5 gallons of photochemically reactive solvent in any one day.
[Arizona SIP Provision R9-3-527.C]

b. Monitoring and Recordkeeping Requirements

- (1) Each time a spray painting project is conducted, the Permittee shall log in ink, or in an electronic format, a record of the following:
- (a) The date the project was conducted;
 - (b) The duration of the project;
 - (c) Type of control measures employed, if any;
 - (d) Material Safety Data Sheets for all paints and solvents used in the project; and
 - (e) The amount of paint consumed during the project.
- (2) Spot painting projects shall be exempt from the recordkeeping requirements of Condition V.B.1.b.(1) above.
[A.A.C. R18-2-306.A.3.c]

c. Permit Shield

Compliance with the conditions of this part shall be deemed compliance with the following requirements as of the date of issuance of this permit:
A.A.C. R18-2-727 and Arizona SIP Provision R9-3-527.C.

[A.A.C.R18-2-325]

C. Demolition/Renovation

Hazardous Air Pollutants Standards

1. Emissions Limitation/Standard

The Permittee shall comply with all of the requirements of 40 CFR Part 61 Subpart M (National Emissions Standards for Hazardous Air Pollutants - Asbestos).
[A.A.C. R18-2-1101.A.8]

2. Monitoring and Recordkeeping Requirement

The Permittee shall keep all required records in a file. The required records shall include the “NESHAP Notification for Renovation and Demolition Activities” form and all supporting documents.
[A.A.C. R18-2-306.A.3.c]

3. Permit Shield

Compliance with the conditions of this part shall be deemed compliance with A.A.C. R18-2-1101.A.8 as of the date of issuance of this permit. [A.A.C. R18-2-325]

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ATTACHMENT “C”: EQUIPMENT LIST

**Air Quality Control Permit No. 32961
For
UNS Electric, Inc. – Valencia Power Plant**

Equipment No./ S. No.	Name	Make	Model	Capacity	Year of Installation	NSPS Applicable
P1/960621	Combustion Gas Turbine Unit 1	Hitachi	M	13.5 MW Continuous Maximum Rating	1988	Yes
P2/960631	Combustion Gas Turbine Unit 2	Hitachi	M	13.5 MW Continuous Maximum Rating	1988	Yes
P3/960641	Combustion Gas Turbine Unit 3	Hitachi	M	13.5 MW Continuous Maximum Rating	1988	Yes
P4/TBD	Combustion Gas Turbine Unit 4	General Electric	LM 2500 or equivalent	20 MW Continuous Maximum Rating	TBD	Yes
P8	Diesel Fuel Storage Tank			50,000 gallons	1997	No
P9	Diesel Fuel Storage Tank			50,000 gallons	1949	No

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ATTACHMENT “D”: PHASE II ACID RAIN PROVISIONS

**Air Quality Control Permit No. 32961
For
UNS Electric, Inc. – Valencia Power Plant**

I. Statement of Basis

- A.** With respect to Acid Rain Program applicability, if UNSE purchases a simple combustion turbine as Gas Turbine Unit P4 that sold electricity prior to November 15, 1990, it would be an unaffected unit in accordance with 40 CFR 72.6(b)(1) regardless of who previously owned the unit and where previously located (or relocated). The refurbishment of an affected unit will not trigger Acid Rain applicability as long as the work being done on the unit can be characterized as a modification, repowering, or reconstruction.
- B.** If Gas Turbine Unit P4 is an affected unit under the Acid Rain Program, the following requirements shall apply:

Statutory and Regulatory Authorities: In accordance with Arizona Revised Statutes, Title 49, Chapter 3, Article 2, Section 426.N, and Titles IV and V of the Clean Air Act, the Arizona Department of Environmental Quality issues this Permit Attachment identifying qualifying requirements for Gas Turbine Unit P4 under 40 CFR 72.7 “New Units Exemption” pursuant to Arizona Administrative Code, Title 18, Chapter 2, Article 3, Section 333 (A.A.C. R18-2-333), Acid Rain.

II. New Units Exemption Requirements for Gas Turbine Unit P4

A. Exemption Qualification

To qualify for exemption from the Acid Rain Program, Gas Turbine Unit P4 shall meet the following criteria.

1. Serve during the entire year (except for any period before the unit commenced commercial operation) one or more generators with total nameplate capacity of 25 MWe or less.
2. Burn gaseous fuel with an annual average sulfur content of 0.05 percent or less by weight (as determined under paragraph (d) of this section) and nongaseous fuel with an annual average sulfur content of 0.05 percent or less by weight (as determined under paragraph (d) of this section).

[A.A.C. R18-2-333, 40 CFR 72.7(a)]

B. Applicable Requirements

1. Gas Turbine Unit P4, if meeting the requirements of Condition II.A above, shall be exempt from the Acid Rain Program, except for the following provisions and Sections §§72.2 through 72.6, and §§72.10 through 72.13 of 40 CFR 72.
[A.A.C. R18-2-333, 40 CFR 72.7(b)(1)]
2. The exemption under Condition II.B.1 shall be effective on January 1 of the first full calendar year for which the unit meets the requirements Condition II.A. By

December 31 of the first year for which the unit is to be exempt, a statement signed by the designated representative (authorized in accordance with subpart B of this 40 CFR 72) or, if no designated representative has been authorized, a certifying official of each owner of the unit shall be submitted to permitting authority otherwise responsible for administering a Phase II Acid Rain permit for the Unit. A copy of the statement shall be submitted to the Administrator. The statement, which shall be in a format prescribed by the Administrator, shall identify the unit, state the nameplate capacity of each generator served by the unit and the fuels currently burned or expected to be burned by the unit and their sulfur content by weight, and state that the owners and operators of the unit will comply with Conditions II.B.4 through II.B.7.

[A.A.C. R18-2-333, 40 CFR 72.7(b)(2)]

3. Compliance with the requirement that the fuel burned during the year have a sulfur content of 0.05 percent by weight or less shall be determined in accordance with the provisions in 40 CFR 72.7(d).

[A.A.C. R18-2-333, 40 CFR 72.7(d)]

4. For Gas Turbine Unit P4, the Permittee shall:

- a. Comply with the requirements of paragraph (a) of this section for all periods for which the unit is exempt; and
- b. Comply with the requirements of the Acid Rain Program concerning all periods for which the exemption is not in effect, even if such requirements arise, or must be complied with, after the exemption takes effect.

[A.A.C. R18-2-333, 40 CFR 72.7(f)(1)]

5. For any period for which Gas Turbine Unit P4 is exempt, the unit is not an affected unit under the Acid Rain Program and 40 CFR Part 70 and is not eligible to be an opt-in source under 40 CFR Part 74. As an unaffected unit, the unit shall continue to be subject to any other applicable requirements under 40 CFR Part 70.

[A.A.C. R18-2-333, 40 CFR 72.7(f)(2)]

6. For a period of 5 years from the date the records are created, the Permittee shall retain at the source that includes the unit records demonstrating that the requirements of paragraph Condition II.A are met. The 5-year period for keeping records may be extended for cause, at any time prior to the end of the period, in writing by the Director.

- a. Such records shall include, for each delivery of fuel to the unit or for fuel delivered to the unit continuously by pipeline, the type of fuel, the sulfur content, and the sulfur content of each sample taken.
- b. The Permittee bears the burden of proof that the requirements of Condition II.A are met.

[A.A.C. R18-2-333, 40 CFR 72.7(f)(2)]

7. Loss of exemption.

- a. On the earliest of the following dates, Gas Turbine Unit P4 shall lose its exemption and become an affected unit under the Acid Rain Program and 40 CFR Part 70.

- (1) The date on which the unit first serves one or more generators with total nameplate capacity in excess of 25 MWe.
- (2) January 1 of the year following the year in which the annual average sulfur content for gaseous fuel burned at the unit exceeds 0.05 percent by weight or for nongaseous fuel burned at the unit exceeds 0.05 percent by weight (as determined under Condition II.B.3.

[A.A.C. R18-2-333, 40 CFR 72.7(f)(4)(i)]

- b. The designated representative for a unit that loses its exemption under this section shall submit a complete Acid Rain permit application 60 days after the first date on which the unit is no longer exempt.

[A.A.C. R18-2-333, 40 CFR 72.7(f)(4)(ii)]

- c. For the purpose of applying monitoring requirements under 40 CFR Part 75, a unit that loses its exemption under this section shall be treated as a new unit that commenced commercial operation on the first date on which the unit is no longer exempt.

[A.A.C. R18-2-333, 40 CFR 72.7(f)(4)(iii)]